GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries and Commerce Department – Extension of certain incentives under Andhra Pradesh Food Processing Policy 2015-2020 to M/s Jain Irrigation Systems Limited for their proposed Integrated Agriculture and Horticulture Park at Tangedancha (V) Kurnool District – Orders- Issued.

INDUSTRIES & COMMERCE (PROGRAMME.III)DEPARTMENT

G.O.Ms.No. 167 **Dated:28-11-2016**

Read the following:-

1. From the CEO & Managing Director, Jain Irrigation Systems Ltd., dt.09-06-2016.
2. Empowered Committee of Secretaries (EC) held on 26.10.2016
3. State Investment Promotion Board Meeting held on 28.10.2016
4. G.O.Ms.No.71, Industries and Commerce (P & I) Department, Dated: 25.08.2016
5. G.O.Ms.No.72, Industries and Commerce (P & I) Department, Dated:18.05.2016

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O R D E R:-

In the reference 1st read above, M/s Jain Irrigation Systems Limited has proposed to set up an Integrated Agriculture and Horticulture Park at Tangedancha (V) Kurnool District with project outlay of Rs. 365.00 Crore to cater to diverse needs of the farmers of Andhra Pradesh, with a direct employment potential a 3550 persons and indirect employment around 10,000 persons. The plant is proposed to set up in 3 phases. The Integrated Project is proposed to have food processing setup, Manufacturing High Tech Agri Inputs, and Technological Interventions. The Company has requested for the following benefits.

1. Reimbursement of 100% VAT/excise/GST and such taxes on gross basis for 9 years on the lines of Maharashtra Industrial Policy.
2. Request for total capital grant of Rs 75 Cr. for the entire plant (Rs.50cr) under the Food Processing Policy and capital subsidy against each plant (Rs 5 cr each) such as against Fruit processing, onion dehydrations etc. and other capital subsidy against other plants such as micro irrigation, pipes, Tissue Culture as per policy for individual units.
3. All exemptions under AP Food Processing Policy 2015-2020 including but not limited to number of units to be set up. As it is proposed to be an Integrated Agriculture and Horticulture Park, which will include R&D, Demo and Training centres for farmers, thus request for benefits to be extended to the entire park.
4. Requesting forthcoming sanctions in the name of Jain Fresh Foods Limited (JFFFL) which is a subsidy of Jain Irrigation Systems.
5. Payment of land cost over 3 years.
6. Waiver of processing fee Rs.61.75 Lacks
7. 20 acres land for contiguity in two separate parcels.

2. In the reference 3rd read above, the Empowered Committee of Secretaries (EC) discussed the above proposal in detail and recommend for the following incentives in addition the incentives granted earlier, vide G.O. Ms.No. 72 and 71.

1. The Revenue Department (CT) advised that tax incentives to new industries should be formulated keeping in view the design and structure of the GST which will be introduced from 1-4-2017. EC suggested to defer the matter of GST reimbursement till GST guidelines come to be in place.

1. the Chief Executive Officer, Andhra Pradesh Food Processing Society, Hyderabad informed it is an important project in creating value addition for the locally available agro-produce such as Banana, Mango etc. and also to train the farmers in the best agro-techniques.

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3. Empowered Committee, after detailed discussion, recommended to exempt the unit from the definition of Mega Food Park under the Food Processing Policy 2015-2020 in terms of the number units and the nature of activities to be carried out for extending a grant of Rs. 50 crore as subsidy as a special case. However, this benefit is limited to only M/s Jain Irrigation Systems Ltd. and should not be quoted as precedence for any other cases. Further, it was decided not to grant any capital subsidy to the units located in the park.

1. To transfer the incentives granted earlier (GO No 72 & 71) to newly incorporated subsidiary M/s Jain Fresh Foods Limited subject to the condition that the new company should be a 100% subsidiary of M/s Jain Irrigation Systems till the project is implemented.
2. EC has noted that the company is willing to pay the land cost within December 2016, for which the Company has sought for deferment.
3. EC did not recommend to consider waiving processing fee of APIIC
4. To allot 20 acres of land which lies between the two land parcels allocated to them to provide contiguity and also to tap the water from KC Canal, in exchange of the 20 acres of land from the already allocated to them.

4. In the reference 4th read above, the State Investment Promotion Board discussed the proposal in detail and recommended to extend the following incentives to the Company:

5. Accordingly, the Government after careful consideration of the matter hereby decided to extend the following incentives to the Jain Irrigation Systems Limited.

1. Board suggested to defer the matter of GST reimbursement till GST guidelines are out.

1. The Chief Executive Officer, Andhra Pradesh Food Processing Society, Hyderabad informed, it is an important project in creating value addition for the locally available agro-produce such as banana, mango, tomato, onion etc and also to train the farmers in the best agro-techniques.

6. The State Investment Promotion Board after detailed discussion decided to extend the following benefits to the Company.

1. Agreed for change of implementing agency from M/s Jain Irrigation Systems to Jain Irrigation Systems Limited along with newly incorporated subsidiary M/s Jain Farm Fresh Food Limited subject to the condition that the new company should bea 100% subdidiary of M/s Jain Irrigation Systems till the projects implemented.
2. To allot 20.51 acres land in Sy.No.401, 403, which lies between the two land parcels allocated to them to provide contiguity and also to tap the water from K.C Canal in exchange of land in Sy.No.390/391/392/409 already allocated to them.
3. To extend Grant-in-Aid limited to Rs.50.00 Crores as per Andhra Pradesh Food Processing Policy, duly relaxing the definition of Mega Food Park in terms of the number units and the nature of activities to be carried out, considering the importance of the project in creation of value addition to the local agro produce. However, this benefit is limited to only M/s Jain Irrigation Systems Limited and should not be quoted as precedence for any other cases.
4. Further, it was decided to extend eligible grant in aid as per A.P. Food Processing Policy to the food processing units proposed to be set-up in the park.
5. The Company to pay the total land cost by 31-12-2016.
6. The total project to be completed over a period of 3 years.
7. To set-up one Technical institute for skill development & Agri extension trainings at site by the developer.
8. Secretary, Food Processing Society to review the progress of implementation on quarterly basis.
9. Not considered the request of the company for waiver of APIIC processing fee.

(contd...3)

7. Government after careful examination of the proposal and in view of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s Jain Irrigation Systems Limited in superstition of the orders issued in the reference 5th and 6th read above, for their proposed Integrated Agriculture and Horticulture Park at Tangedancha (V) Kurnool District in three phases with Rs.365 Crores to cater to diverse needs of the farmers of Andhra Pradesh, with a direct employment potential a 3550 persons and indirect employment around 10,000 persons.

1. Agreed for change of implementing agency from M/s Jain Irrigation Systems to Jain Irrigation Systems Limited along with newly incorporated subsidiary M/s Jain Farm Fresh Food Limited subject to the condition that the new company should be a 100% subdidiary of M/s Jain Irrigation Systems till the projects implemented.
2. To allot 20.51 acres land in Sy.No.401, 403, which lies between the two land parcels allocated to them to provide contiguity and also to tap the water from K.C Canal in exchange of land in Sy.No.390/391/392/409 already allocated to them.
3. To extend Grant-in-Aid limited to Rs.50.00 Crores as per Andhra Pradesh Food Processing Policy, duly relaxing the definition of Mega Food Park in terms of the number units and the nature of activities to be carried out, considering the importance of the project in creation of value addition to the local agro produce. However, this benefit is limited to only M/s Jain Irrigation Systems Limited and should not be quoted as precedence for any other cases.
4. Further, it was decided to extend eligible grant in aid as per A.P. Food Processing Policy to the food processing units proposed to be set-up in the park.
5. The Company to pay the total land cost by 31-12-2016.
6. The total project to be completed over a period of 3 years.
7. To set-up one Technical institute for skill development & Agri extension trainings at site by the developer.
8. Secretary, Food Processing Society to review the progress of implementation on quarterly basis.
9. Not considered the request of the company for waiver of APIIC processing fee.

8. The Chief Executive Officer, Andhra Pradesh Food Processing Society shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.GIRIJA SHANKAR
SECRETARY TO GOVERNMENT (FP) (FAC)

To
The Chief Executive Officer,
A.P., Food Processing Society, Hyderabad.
The Director of Industries, A.P., Hyderabad.
The Vice Chairman and Managing Director, APIIC, Hyderabad
M/s Jain Irrigation Systems Limited, through the Chief Executive Officer, Andhra Pradesh Food Processing Society, Hyderabad

Copy to:

The Chairman, AP. Food Processing Society
The Finance (FMU-REV-IC)Dept.,
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Energy Department.
The Irrigation (Reforms) Dept. .
The Law (H) Department.
The Accountant General, Andhra Pradesh
The Commissioner of Commercial Taxes, A.P.
The Chairman & Managing Director, APTRANSCO.
The Managing Director, APSPDC Ltd., Titupati
The Collector and District Magistrate, Kurnool.
The Zonal Manager, Kurnool.

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P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government (Food Processing), Industries & Commerce Dept.
SC/SF.

//FORWARDED::BY ORDER//

SECTION OFFICER